



**NILA
INFRASTRUCTURES
LIMITED**

NILA/Cs/2017/307

Date: November 07, 2017

To,
The Department of Corporate Services
BSE Limited
Phirozee Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001

To,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Scrip Code: 530377

Scrip Symbol: NILAINFRA

Dear Sir/Madam,

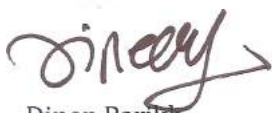
Sub: Investor Presentation on Scheme of Demerger

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting an Investor Presentation on Scheme of Demerger and request the exchanges to take the same on record. The same has also been displayed at the website of the Company at www.nilainfra.com which may kindly be noted.

Thanking you,

Yours faithfully,

For, Nila Infrastructures Limited



Dipen Parikh

Company Secretary

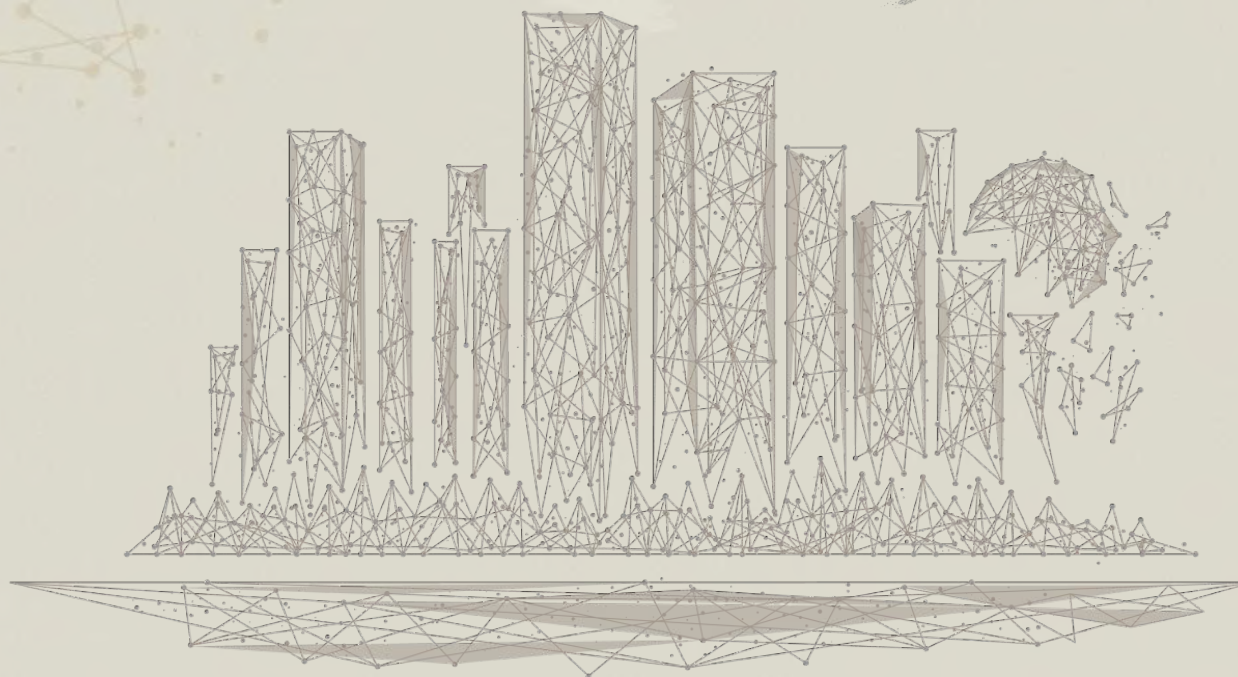


Encl: a/a

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NILA
INFRASTRUCTURES
LIMITED



DEMERGER OF REAL ESTATE BUSINESS

NOVEMBER 2017

SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Nila Infrastructures Limited (the “Company”), have been prepared solely for information purposes and to enable the investors to understand the scheme of demerger of real estate undertaking of the Company into its wholly owned subsidiary in an easy manner. This document does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. The presentation neither gives any guarantee of return nor any recommendation of investment in the securities of the Company. Upon completion of the scheme the equity shares issued by PSL to the shareholders of NILA shall be listed on the stock exchanges and the share prices of both the Companies shall be determined by market forces. The Company does not give any guarantee of any return or appreciation post demerger. There are many factors which affect the price of securities of the Company and the investors are advised to undertake requisite analysis before investing.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, Government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



NILA'S REAL ESTATE BUSINESS IS A DIAMOND WAITING TO BE UNEARTHED

THE MAIN THESIS BEHIND THE DEMERGER



OVERVIEW

INFRASTRUCTURE BUSINESS

REAL ESTATE BUSINESS

RATIONALE FOR DEMERGER

MECHANICS & TRANSACTION OVERVIEW

POST DEMERGER

BUSINESS QUICK VIEW

NILA INFRASTRUCTURES LIMITED

Shareholding:

Promoter – 61.98% & Public – 38.02%

Market Cap: INR 713 Crores¹

Share Price: INR 18.10¹

Net Worth: INR 201.43 Crores²

Debt Equity Ratio: 0.72²

¹At 11 October 2017

²At 31 March 2017

22.34%

Turnover growth[^]

34.01%

PAT growth[^]

[^]From 2015-16 to 2016-17

INFRASTRUCTURE

Construction Contracts#

Property Leasing

Industrial Parks

EPC, EPC + PPP, PPP

REAL ESTATE

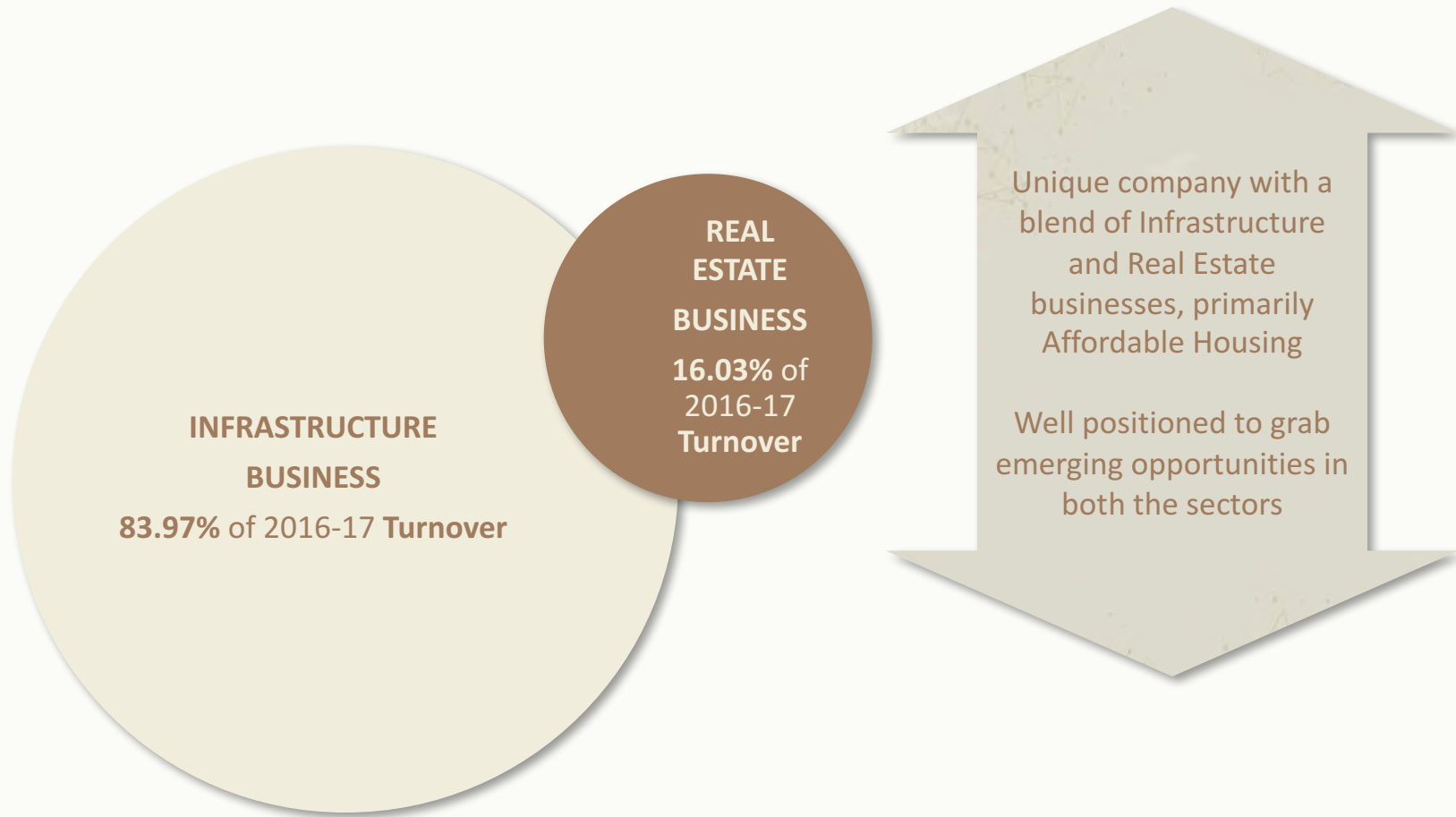
Own Residential Schemes

Own Affordable Housing Projects

Investments in Associate Companies



UNIQUE HYBRID BUSINESS MODEL



OVERVIEW

INFRASTRUCTURE BUSINESS

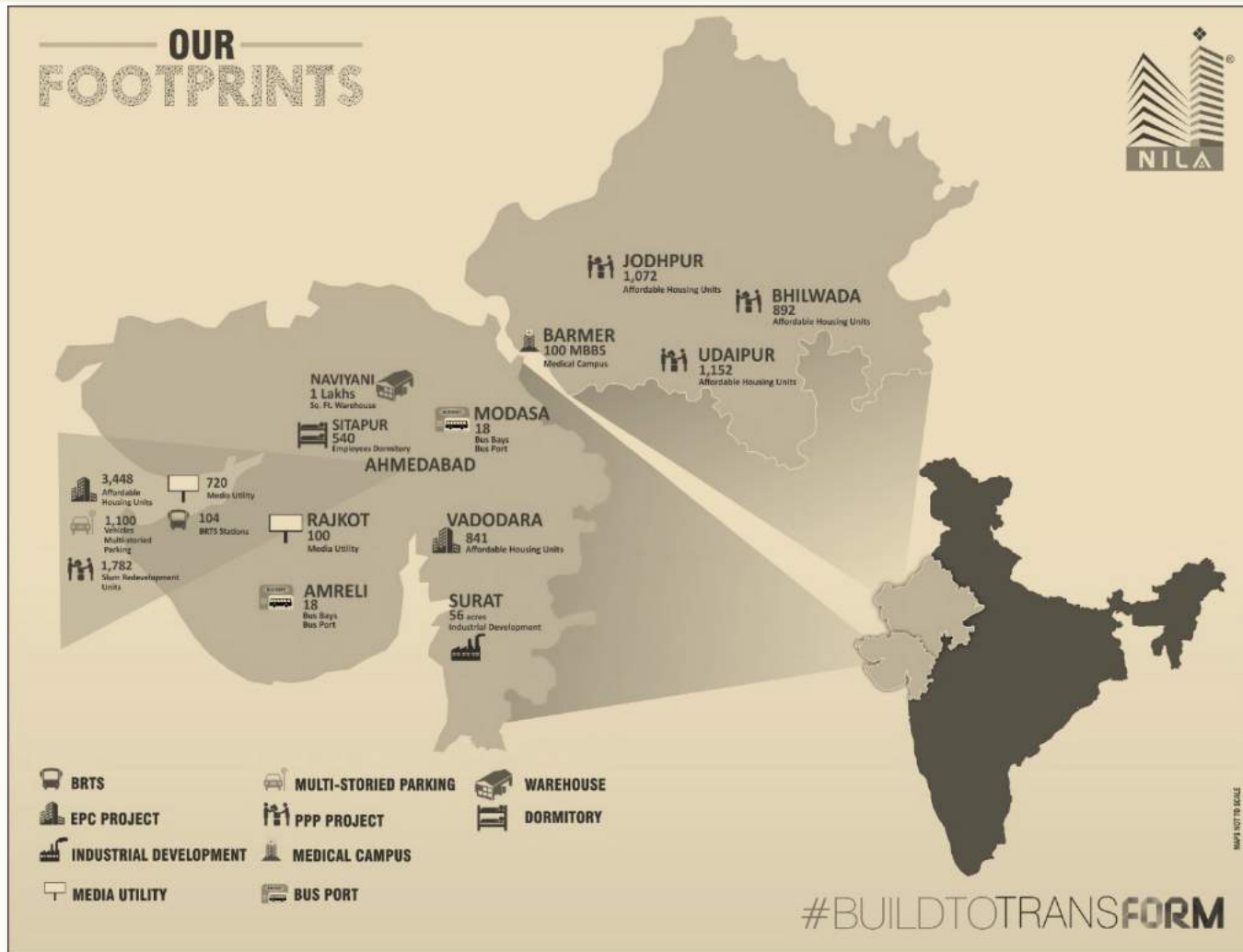
REAL ESTATE BUSINESS

RATIONALE FOR DEMERGER

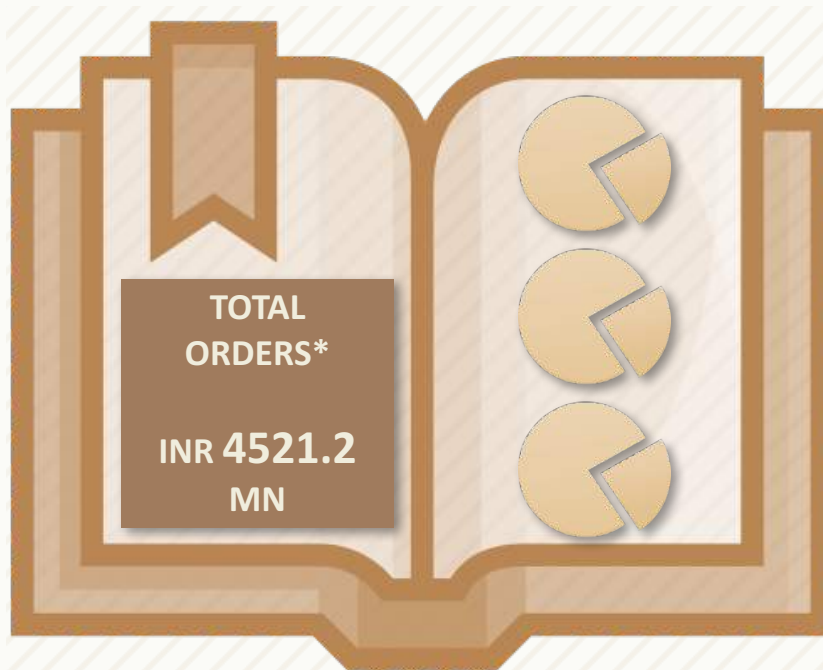
MECHANICS & TRANSACTION OVERVIEW

POST DEMERGER

WELL-DIVERSIFIED PORTFOLIO



ORDER BOOK PROMISES SUSTAINED GROWTH



**At June 30, 2017*

**Contracts worth INR 511.1 million (EPC) and INR 1072.8 million (EPC + PPP) acquired after June 30, 2017*

YTD ORDER INFLOW

Total Order inflow of INR 1,101.5 million during Q1 FY18

Affordable Housing & SRA projects segment: INR 378.5million (34%)

Urban Infrastructure segment: INR 155.7 million (14%)

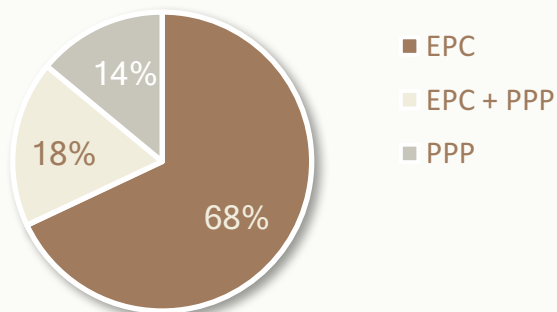
White Label segment: INR 567.3 million (52%)



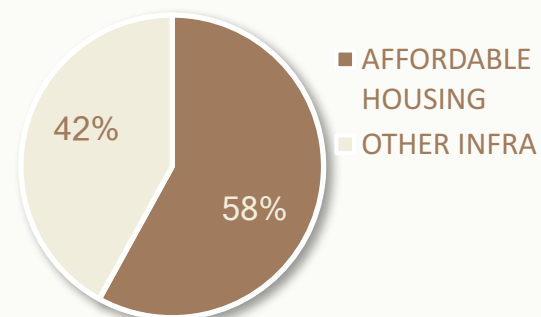
ORDER BOOK BREAKUP*

*At June 30, 2017

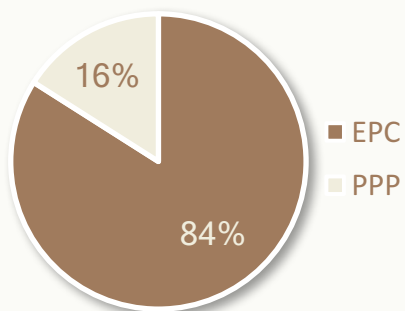
TOTAL EPC & PPP



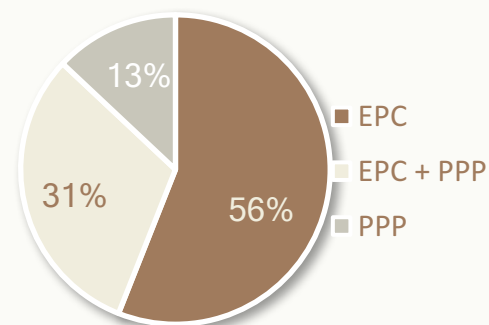
TOTAL AFFORDABLE HOUSING & OTHER INFRA PROJECTS



URBAN INFRA & WHITE LABEL EPC & PPP



AFFORDABLE HOUSING EPC & PPP



SUBSIDIARY, ASSOCIATE & JV

NAME OF ENTITY	STAKE (%)	STATUS
Nila Terminals (Amreli) Pvt. Ltd.	100.00%	Development of Bus Port facility
Romanovia Industrial Park Pvt. Ltd.	50.00%	To acquire land and develop industrial & logistics parks, Units, Sheds, Plots, Residential Colonies and allied Infrastructure near Becharaji, (Near Mehsana, Gujarat)
Sarathi Industrial Park Pvt. Ltd.	50.00%	
Kent Residential and Industrial Park LLP	50.00%	
Vyapnila Terminals (Modasa) Pvt. Ltd.	34.00%	Development of Bus Port facility



GROWTH ENABLERS

URBAN INFRASTRUCTURE

- Govt. of India has unveiled a new Urban Development strategy for the next 20 years, aimed at development of rural and urban areas, housing for all urban poor and ensuring gender equity in the country among other objectives

AREA-BASED DEVELOPMENT

- Will transform existing areas (retrofit and redevelop), including slums, into better planned human settlements, thereby, improving liveability of the whole cities

METRO RAIL POLICY

- Focus on compact urban development, cost reduction and multi-modal integration

HEALTHCARE INSTITUTIONS

- Development of such insitutions for better healthcare delivery

500 AMRUT CITIES AND 60 SMART CITIES

- Those identified as such are pursuing five year comprehensive action plans for infrastructure development as against ad hoc approval of projects in the past



OVERVIEW

INFRASTRUCTURE BUSINESS

REAL ESTATE BUSINESS

RATIONALE FOR DEMERGER

PROPOSED MECHANICS & TRANSACTION OVERVIEW

POST DEMERGER

OUR CORE COMPETENCY

27+ years of
experience in
developing and
marketing real estate
projects

Diversified, well
located and low-cost
land bank

Established track
record in satisfactorily
delivering real estate
projects aggregating
to 10+ mn sq ft

Well networked with
deep understanding of
the government and
regulatory mechanism

Well-established
linkages with market
constituents like
farmers, land-owners
/ aggregators,
suppliers, contractors,
brokers, investors and
end-buyers



SUBSIDIARY, ASSOCIATE & JV

NAME OF ENTITY	STAKE (%)	STATUS
Nila Projects LLP	99.97%	Real Estate project: Plotting scheme, operations yet to commence
Fangdi Land Developers LLP	51.00%	Real Estate project: Plotting scheme, operations yet to commence
Nilsan Realty LLP	50.00%	Real Estate project: Plotting scheme, certain regulatory approvals awaited
Mega City Cinemall Pvt. Ltd.	42.50%	Cine-mall, not in operation at present

Formed along with other well-known Real Estate Developers to gain:

- Larger scale of work & economy

- Diversity of projects

- Distribution of risk



GROWTH ENABLERS

HOUSING FOR ALL BY 2022

- Affordable Housing requirement – **110 mn** Investment Potential USD – **2 tn (INR 130tn)**

PMAY

- Aims to build **50 million** housing units by 2022

100+ SMART CITIES

- Investment required: **USD 1.2 tn (INR 79 tn)**

RERA, 2016

- Over 19,000 projects across 27 cities, investment requirement of over **INR 21 tn**

GST

- Aims to stream line the indirect tax structure. Net tax rate on real estate post – **GST is 12%**

REIT

- Aims to provide avenues for fund raising and alternatives Investments



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POST DEMERGER

ENABLING MACRO ENVIRONMENT POLICY REFORMS POWERING THE SECTOR

PRADHAN MANTRI AWAS YOJANA (PMAY)	REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016	REAL ESTATE INVESTMENT TRUST (REIT)	GOODS AND SERVICES TAX (GST)	EASE OF DOING BUSINESS
PMAY – Urban launched in June 2016, PMAY – Gramin launched in November 2016 Aims to build 50 million (mn) housing units in urban and rural India by 2022, over 0.7 mn housing units to be built per month to achieve the vision	Came into force on 1 May 2017 Aims to increase transparency, accountability and overall efficiency Over 19,000 projects across 27 cities alone entailing an investment of over INR 21 trillion (tn), or USD 320 billion (bn) expected to come under purview of RERA	Guidelines released in September 2014 Government allowed tax pass through status in Union Budget FY17 Aimed at providing avenues for fund raising and alternate investments	Implemented from 1 July 2017 Aims to streamline the indirect tax structure by subsuming multiple taxes into a unified GST The net tax rate on real estate post-GST is 12 percent	Construction permits to be issued in just 60 days



DEMAND AND SUPPLY

HUGE PENT-UP DEMAND

**RS 12.2 TRILLION MARKET SIZE
BY 2024 FOR SOCIAL HOUSING**

- 10 Million housing demand per annum, out of which only 3 Million supplied through PMAY (Pradhan Mantri Awas Yojana)
- The private sector will have to step in to meet 7 Million of housing demand per annum

**HIGHER AFFORDABILITY FOR
HOME-BUYERS**

- Stable property prices for more than 3 years
- 9-10% annual increase in per capita income
- 15% lower mortgage payments

IMPROVING SUPPLY CONDITIONS

**MARKET SHARE OF ORGANIZED
PLAYERS SET TO INCREASE DUE
TO**

- Policy reforms
- Higher affordability for home-buyers

**GREATER GOVERNMENT
SUPPORT**

- Direct Subsidy for social housing by central government
- Extension of Interest Subsidy to mid-income groups
- Tax Incentives for building affordable housing with lower supply cost implications



OPPORTUNITIES OPENING UP

LOWER VOLATILITY / RISK

- The new real estate reforms and policy changes are lowering the volatility / risk earlier prevalent in the sector
- Stable turnover and profit growths for the company can be expected

GREATER PROFITABILITY

- The reforms are lowering the number of unorganized players and thinning out the competition
- Tax incentives to lower supply cost
- Higher affordability for home-buyers is increasing their housing demand

CAPACITY TO CAPITALIZE ON THEM

LEVERAGING LOW COST LAND BANK

- To develop own real estate projects
- Projects through Joint Ventures (JVs) and Associates

DEVELOPMENT POTENTIAL OF 40 LAKH SQUARE FEET BUILT-UP

- To be developed in the next 5 years or so
- Prime Industrial Land in vicinity of upcoming Auto Hub in Gujarat with great potential



BROAD ADVANTAGES OF DEMERGER

CLEAR DEFINITION OF THE BUSINESS

- Creating independent listed companies with leadership positions in well-defined verticals
- Nila Infrastructures Ltd. = Infrastructure Business
- Parmananday Superstructure Ltd. = Real Estate Business

CREATING GROWTH ENABLERS

- Business specific specialised strategy to enable sustainable growth
- Creating strong growth platforms for each business in alignment of primacies
- Management with absolute focus to pursue elaborate business goals
- Improvement in Business and Credit profile

UNLOCKING VALUE FOR SHAREHOLDERS

- Clarity on operations and value of underlying businesses
- Ability of markets to fully reflect underlying value of each individual business separately
- Existing shareholders of NILA to receive equivalent shares in PSL



THE MERITS

FINANCIAL RATIOS

SEPARATE INVESTMENT POSSIBILITY

LEADERSHIP

JV & ALLIANCES

VALUE UNLOCKING

Post-demerger financial ratios to potentially improve and stabilize

Separate investment possibilities in Infrastructure and Real Estate in line with investor appetite

Valuation parameters of both businesses are different and demerger enables separate valuation of both business activities

Focused leadership of respective businesses becomes possible through demerged companies leading to structured growth

Demerger provides opportunity to easily approach private white label construction firms for the Infrastructure Company

JVs and Strategic Alliances become focused and possible

Can potentially lead to higher shareholder value creation for both the demerged & resultant companies



OVERVIEW

INFRASTRUCTURE BUSINESS

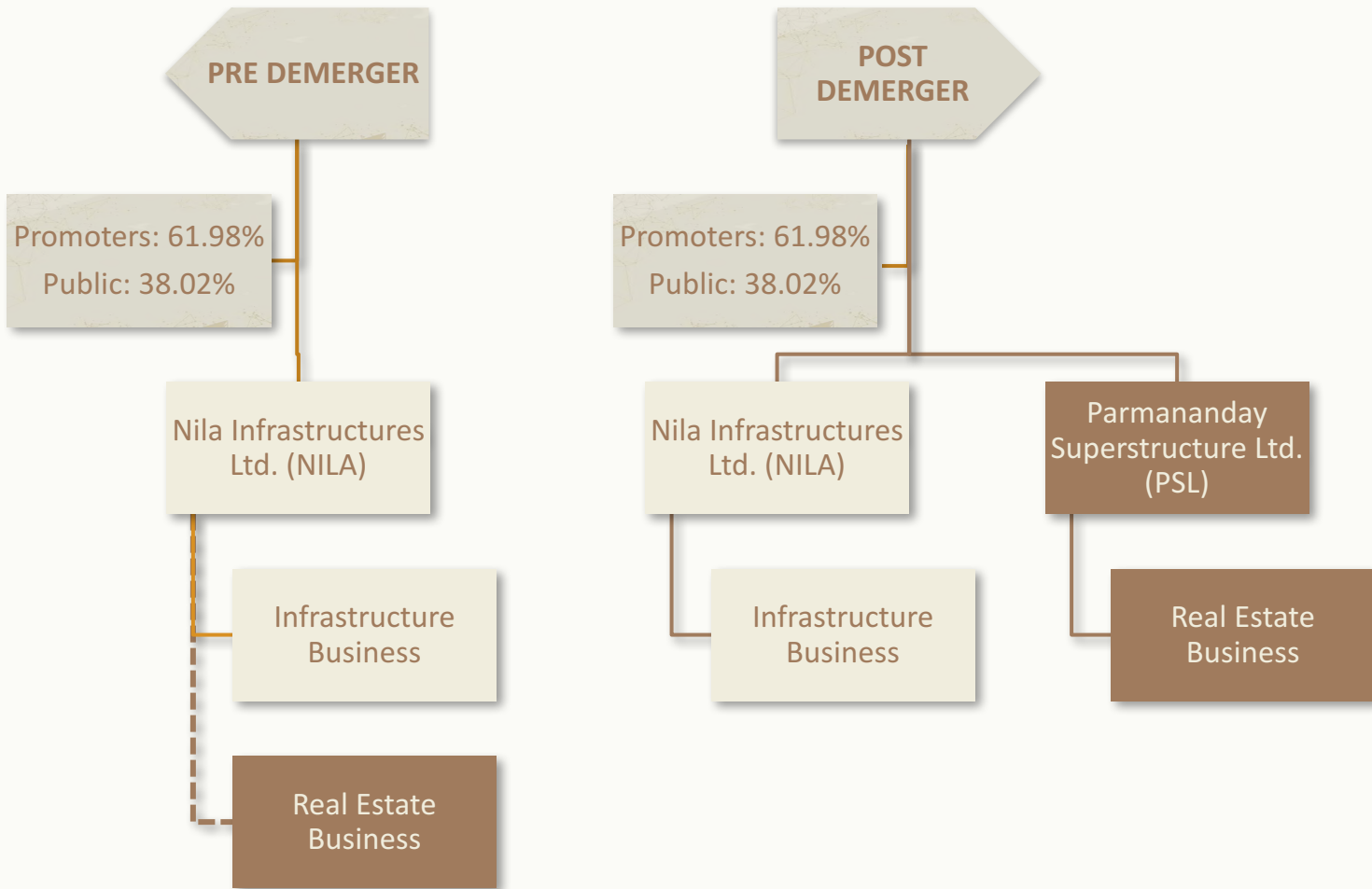
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POST DEMERGER

THE STRUCTURING



THE PROCESS

NILA Infrastructures Ltd (NILA – the Demerged Company) to demerge its Real Estate undertaking in its wholly owned subsidiary, viz. Parmananday Superstructure Ltd (PSL – the Resulting Company)

All the assets and liabilities of Real Estate undertaking to be demerged into PSL

Pursuant to demerger of Real Estate undertaking, PSL will issue shares to the shareholders of NILA in the ratio of 1:1 and NILA's investment in PSL shall get cancelled

The equity shares of PSL to be listed on BSE and NSE
The Appointed Date for the Scheme, being the date on which the Real Estate Undertaking shall vest in PSL, has been fixed at April 01, 2017



No impact on NILA as real estate assets to be transferred to PSL remained underutilized in NILA.

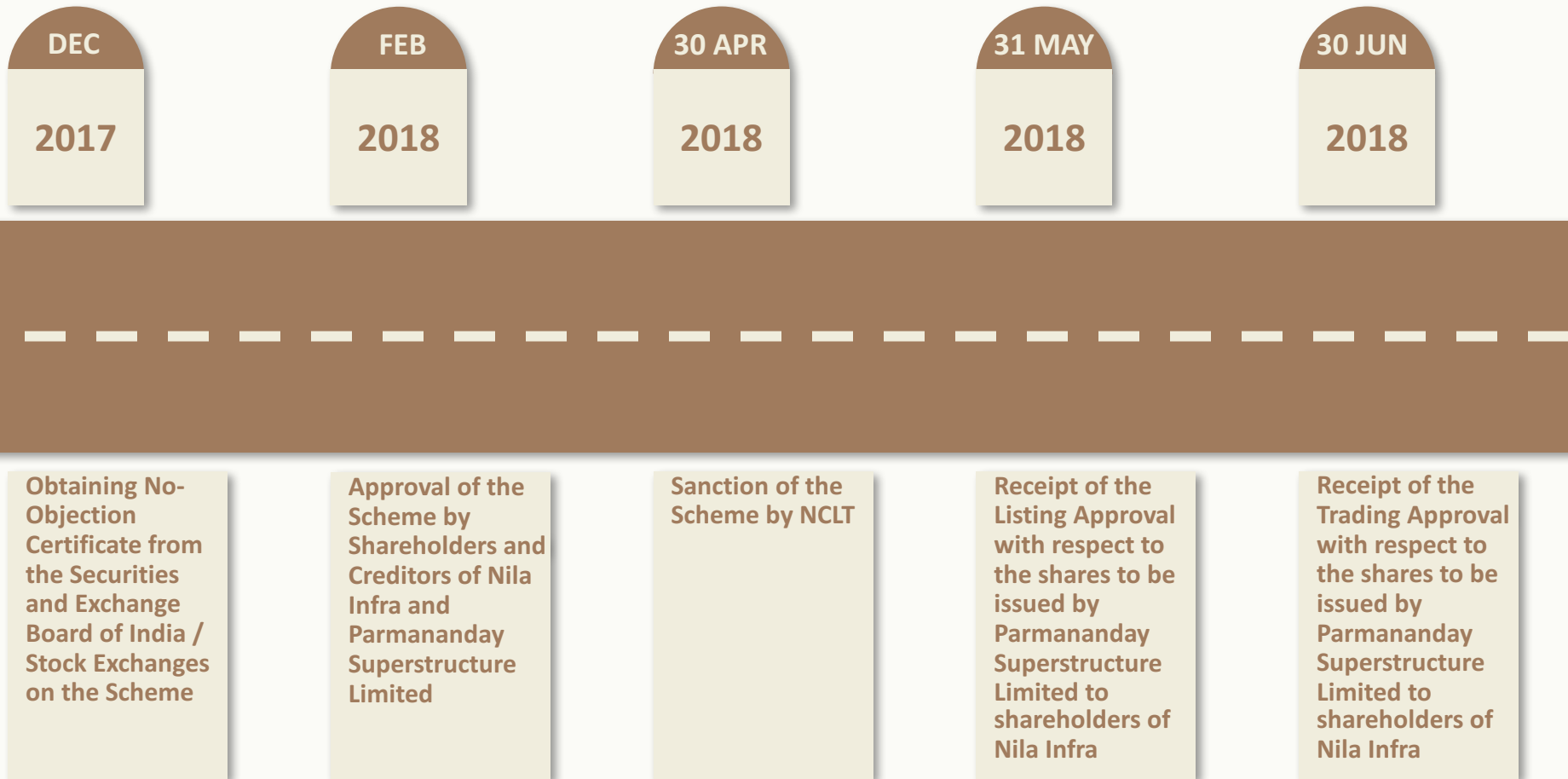
In PSL the same assets would be leveraged for higher growth

PROFESSIONAL FIRMS ENGAGED FOR THE PURPOSE	AREA OF SERVICES
<i>Singhi & Co., Advocates and Notary</i>	Legal advisors
<i>KPMG (Registered)</i>	Taxation and Regulatory advisors
<i>Umesh Ved & Associates, Practising Company Secretary</i>	Compliance and procedural advisors
<i>M.B.D. & Co. LLP, Independent Chartered Accountants</i>	Share Issue Report
<i>Tipsons Consultancy Services Pvt. Ltd., Merchant Banker</i>	Fairness Opinion



TRANSACTION APPROVALS & INDICATIVE TIMELINE*

**The given timeline is merely indicative in nature and subject to the approvals of various regulatory authorities.*



OVERVIEW

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POST DEMERGER

KEY IMPLICATIONS

Segregation of matured business leads to unlocking shareholders value

Regulatory approvals required – Stock Exchanges, SEBI, NCLT, RD, RoC, etc.

The equity shares of PSL to be listed on BSE and NSE upon implementation of the Scheme

Both businesses i.e. Infrastructure and Real Estate will have their separate value determined by the market



FINANCIALS OF NILA INFRASTRUCTURES FOR FY17

PRE DEMERGER

INDICATIVE POST DEMERGER

PARTICULARS	NILA INFRASTRUCTURES LIMITED (INFRA + REAL ESTATE UNDERTAKING)	NILA INFRASTRUCTURES LIMITED	PARMANANDAY SUPERSTRUCTURE LIMITED
Equity & Reserves	INR 2,014.3 Million	INR 795.4 Million	INR 1218.9 Million
Turnover	INR 2,416.3 Million	INR 2028.9 Million	INR 387.4 Million
EBITDA	INR 365.34 Million	INR 275.09 Million	INR 90.26 Million
EBITDA %	16.30%	14.04%	31.92%
PAT	INR 228.4 Million	INR 154.0 Million	INR 74.4 Million
PAT %	9.45%	7.59%	19.20%
Debt (Long Term + Short Term)	INR 1457.5 Million	INR 786.4 Million	INR 671.1 Million
Debt / Equity Ratio	0.72	0.99	0.55
Debt EBITDA Ratio	3.99	2.86	7.44
Interest Coverage Ratio (EBITDA/Interest Exp)	2.25	3.28	1.15
Current Ratio	4.23	1.9	48.45
Return on Equity	11.34%	19.37%	6.10%
Return on Capital Employed	10.96%	18.26%	4.67%



IMPACT POST DEMERGER

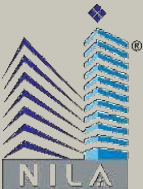
NILA INFRASTRUCTURES LIMITED	PARMANANDAY SUPERSTRUCTURE LIMITED
The operations, business model, growth prospects and valuations shall not in any way affect the Infrastructure Company (including its Becharaji project) as only assets pertaining to Real Estate business shall be demerged	A focused growth plan can surely generate sizeable cash flows and optimum profits for the Real Estate company
Upon demerger of Real Estate business, business and credit profile of the Infrastructure Company will improve	The shareholders of Nila Infrastructures Limited shall receive equivalent number of shares of the Real Estate company
Asset light model of the Infrastructure Company could improve ROCE, EPS and thereby enhance market value in long run	



TOWARDS HIGHER VALUE
FOR ALL STAKEHOLDERS
THANK YOU



CONTACT US

COMPANY	INVESTOR RELATIONS ADVISORS
	
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